GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1733
ANSWERED ON:09.12.2015
Food Contracts Business
Adsul Shri Anandrao ;Patil Shri Shivaji Adhalrao;Shrirang Shri Chandu Barne;Yadav Shri Dharmendra

Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that railway catering has emerged as a lucrative business as contracts to provide food is valued at about Rs. 2,000 crore a year;
(b) if so, whether Indian Railway Catering and Tourism Corporation Limited (IRCTC) had been set up to provide catering services in Trains and Stations and if so, the details thereof;
(c) whether the Railways had taken policy decision to take away catering services from IRCTC and outsource food business to private companies and if so, the reasons therefor;
(d) whether there is any proposal to revamp the catering business; and
(e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a): The Catering Policy, 2010 was issued with the objective to provide hygienic, good quality affordable food to the travelling public by adopting best trade and hospitality industry practices and to have an inclusive approach where, from the least advantaged passenger to the relatively affluent, is provided catering services in a socially responsible manner. Catering is a passenger amenity and while fulfilling its objectives, it also needs to be a viable business proposition for licensees to provide continued services.
(b): Indian Railway Catering and Tourism Corporation Limited (IRCTC) was incorporated in 1999 as an extended arm of the Indian Railways to upgrade, professionalize and manage the catering and hospitality services at stations, on trains and other locations and to promote domestic and international tourism through development of budget hotels, special tour packages, information & commercial publicity and global reservation systems.
(c): Pursuant to notification of Catering Policy 2010 on 21.07.2010, the management of catering services has been transferred from IRCTC to the Zonal Railways for the following reasons :-
(i) Given the vast expanse of railway network, it was felt necessary that to effectively supervise and monitor catering services, the reach and the sources of railway network had to be leveraged in order to ensure a better supervision and monitoring of the catering services.
(ii) Railways, which were directly responsible, had no direct control over catering.
(iii) The stakeholders in the catering services had expressed dissatisfaction.

(d) and(e): A Committee has been set up to examine the entire gamut of issues relating to catering services on Indian Railways.
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